

RECEIVED
9/10/09

REPUBLIC OF THE MARSHALL ISLANDS
FOREIGN INVESTMENT BUSINESS LICENSE REGULATIONS
Title 10, Marshall Islands Administrative Code
Regulation 501 et seq.
(10 MIRC 501 et seq.)

PART I- AUTHORITY, PURPOSE AND DEFINITIONS

501. Authority

These Regulations are made and promulgated by the Minister responsible for Foreign Investment, pursuant to Section 501 of the Foreign Investment Business License Act of 1990, 10 MIRC, Chapter 5, as amended by the Foreign Investment Business License (Amendment) Act P.L.2004 (the Act")

502. Citation

These Regulations may be cited as the Foreign Investment Business License Regulations 2000, and shall come into effect after their approval by the Cabinet.

503. Purpose

These Regulations are intended to prescribe the procedure for making application for Foreign Investment Business License and other matters required or necessary to be prescribed pursuant to the Act, and to facilitate the administration of, and otherwise give better effect to, the Act.

504. Definitions

Words and expressions used in these Regulations that are also used in the Act have the meanings respectively assigned to them in the Act.

PART II – APPLICATION FOR FOREIGN INVESTMENT BUSINESS LICENSE

505. Application

- 1) Every non-citizen required to obtain a foreign investment business license ("license") under the Act shall submit an application, in duplicate, to the Registrar of Foreign Investment ("Registrar"). The application shall be in the form set out in Schedule 1 to these Regulations, and is obtainable from the office of the Registrar located in the Ministry of Finance, PO Box 29, Majuro, MH, 96960.
- 2) An application for a license shall complete said form by answering the questionnaire therein honestly and to the best of his or her knowledge, information and ability. The completed form shall be returned to the Registrar

by hand-delivery or by mail at the address referred to in paragraph (1). The form shall be accompanied by a receipt issued by the Ministry of Finance evidencing payment of the prescribed non-refundable filing fee.

**PART III – PROCEDURE FOR GRANTING FOREIGN INVESTMENT
BUSINESS LICENSE**

506. Review of Application and Issue of License by Registrar

- 1) Pursuant to Section 506 of the Act, the Registrar shall upon receipt of an application form such as is referred to in Section 505, review said application.
- 2) If it is unclear whether the application is for investment in a sector included on the Reserved List, the Registrar shall clarify the position by seeking the written opinion of the Secretary of Resources and Development, who shall have sought the views of the appropriate ministries and agencies. If the Secretary is unable to clarify the position or form an opinion, the matter shall be finally determined or clarified by a Foreign Investment Panel composed of the Secretary of Resources and Development, the Secretary of Finance, and a representative of the private sector appointed by the Cabinet/Majuro Chamber of Commerce. Decisions as far as possible shall be taken within 15 days from the date the matter is referred to said panel.
- 3) When the investment sector has been determined, the Registrar shall, unless the applicant has criminal record involving dishonesty, or is otherwise considered to be an undesirable individual or entity pursuant to any law of the Republic of the Marshall Islands or the application does not comply with the requirements of the Act or these Regulations.
 - a. Issue a foreign investment business license if the investment application is for a sector or activity not included on the Reserved List.
 - b. Advise the applicant that the application has been denied if the proposed foreign investment is in a sector included on the Reserved List.
- 4) Every license issued under or pursuant to this Section is subject to the condition that said license shall be null and void if the applicant fails to commence the business covered by the license within twelve (12) calendar months from the date the license was issued.

507. Amendment of Foreign Investment License

At the request of the registered investor, the Registrar may amend or modify a foreign investment business license to substitute or add a substantially new business activity, or

otherwise substantially change the scope of the business activities on such license, upon payment of the prescribed fee referred to in Section 503 (3).

PART IV – RESERVED LIST

508. Economic Sector or Activities Reserved Solely for Citizen Investors

- 1) Pursuant to Section 504 of the Act, the economic sectors, sub sectors or activities specified in Schedule 2 to those Regulations are hereby reserved solely for citizen investors.
- 2) Any non-citizen who violates Subsection (1) commits an offense and shall, upon conviction, be liable to imprisonment for a term not exceeding twelve (12) months or a fine not less than ten thousand dollars (\$10,000.00) and not exceeding fifty thousand dollars (\$50,000.00) or both.

PART V – FEES AND MISCELLANEOUS MATTERS

509. Fees

- 1) Pursuant to the provisions of the Foreign Investment Business License (Amendment) (No. 2) Act, 200, P.L. 2004, the fees set out in the first column of Schedule 3 to these Regulations are hereby prescribed for and in respect of the matters specified in the second column of said Schedule.
- 2) The minister may, with the prior approval of the Cabinet, by order amend the fees referred to in paragraph (1).

510. Register of Foreign Investment

- 1) Pursuant to Section 507 of the Act, the Register of Foreign Investment in the Republic required to maintain by the Registrar, is available for inspection in the office of the Registrar. The items of information or data contained in said Register are outlined in Schedule 3 to these Regulations.
- 2) Every foreign investment business license holder shall advise the Registrar in writing of any change in circumstances that necessitates a change to the data contained in the Register of Foreign Investment within 30 days of the change-taking place.

511. Modification, Suspension or Revocation of License

- 1) Pursuant to Section 508 of the Act, a foreign investment business license granted under the Act shall at all times be subject to modification, suspension or revocation by the Registrar in accordance with the Marshall Islands Administrative Procedure Act, 6 MIRC, Chapter 1, if-

- a. the application of the grantee is found to have contained false or fraudulent information;
 - b. the grantee bribed or otherwise unlawfully influenced any government official or Registrar other than on the merits of the application;
 - c. the grantee presented false evidence or fraudulent information to the Registrar in support of his/her application;
 - d. the grantee violates any laws in the Republic;
 - e. the grantee engages in business activities which are in violation of any condition or term imposed in the license; and
 - f. the grantee engages in business activities outside the scope of the license;
- 2) An existing foreign investment business license can not be revoked or cancelled once the investment has commenced, if the reason is that the investment activity it was issued for had been added, subsequently, to the Reserved List. Existing businesses are allowed to expand their existing business operations, provided such expansion does not constitute a substantially new or different business activity, which is contained on the Reserved List.

Schedule 2
Regulation 508 (1)

Reserved List

The following list of economic sectors, subsectors or business activities indicates areas in which new investment are reserved solely for citizen investors, pursuant to Section 504.5 of the Act.

1. Small scale agriculture for local markets
2. Small scale mariculture for local markets
3. Bakeries and pastry shops
4. Motor garages and fuel filling stations
5. Land Taxi Operations, not including airport taxis used by hotels
6. Rental of all types of motors vehicles
7. Small retail shops with a quarterly turnover of less than \$1,000.00 (including mobile retail shops and/or open-air vendors/take-outs)
8. Laundromat and dry cleaning, other than service provided by hotels/motels
9. Tailor/sewing shop
10. Video rental
11. Delicatessen or Deli Shop of Food take-out

Schedule 3
Regulation 510

Register of Foreign Investment

Pursuant to Section 507 of the Act, the items of information or data contained in the Register of Foreign Investment are as follows:

- Foreign Investment Business License (FIBL) Number
- Date of FIBL Approval
- Name of Business
- Scope of Business Activity
- Name, Address, Contact Details and Citizenship of Business Owner
- Level of Capital Investment
- Number and type (RMI citizen, Expatriate, etc) of employees
- Duration of FIBL
- Status of Business (Active/Defunct)

Schedule 4
Regulation 509

Fees

Description	Amount
License Application Filing Fee	US \$250.00
Amendment of License	US \$250.00